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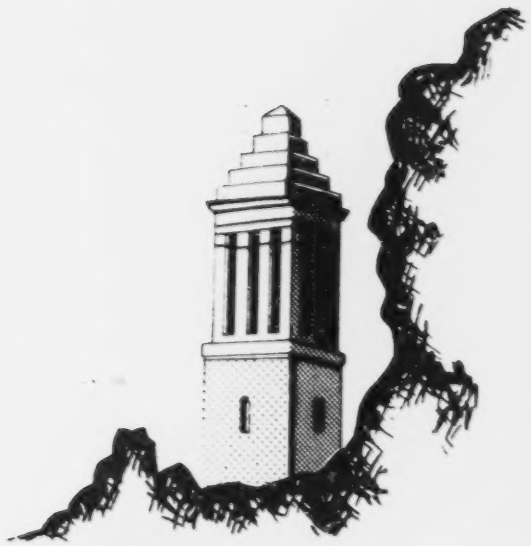

1986 ALABAMA ECONOMIC OUTLOOK

CENTER FOR BUSINESS AND ECONOMIC RESEARCH • THE UNIVERSITY OF ALABAMA

The **1986 Alabama Economic Outlook** is a product of the Alabama Econometric Model which was developed and is maintained by the Center for Business and Economic Research, The University of Alabama. This current edition is the sixth publication in the **Outlook** series.

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The **Outlook** is supplemented by a companion publication of detailed forecast tables. For further information on the Alabama Econometric Model or its products, contact:

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The **1986 Alabama Economic Outlook** reflects the opinions of the authors but not necessarily those of The University of Alabama or the College of Commerce and Business Administration.

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U.S. Economic Outlook

Wharton Econometric Forecasting Associates' December national forecast estimates 1985 and 1986 growth to remain below 3 percent. The short-term economic indicators for the U.S. continue to send mixed signals. On the negative side,

- Industrial production grew by only 1.8 percent in 1985.
- Housing starts have remained close to 1.7 million units since their April 1985 peak of 1.9 million.
- Manufacturing employment actually declined 0.2 percent in 1985.

However,

- The index of leading indicators grew rapidly during the closing months of 1985 and is currently 4.2 percent above last year's level.
- The value of the dollar continues to decline, stimulating exports and thus domestic production.
- Long-term interest rates continue to decline, encouraging consumer and industrial investment.
- Total establishment employment rose 3.1 percent from October 1984 to October 1985, reflecting strong employment growth in the service sector.

Short-Term Outlook

It is assumed that the Federal Reserve will continue its present policy of carefully monitoring real growth, inflation, and money supply growth. Consequently, when economic growth or inflation rises, interest rates will rise. When growth or inflation falls, interest rates will fall, stimulating Gross National Product (GNP) growth. In the near term, monetary growth will be high enough to bring down interest rates. By late 1986 lower interest rates will begin to stimulate growth. As growth increases and the inflationary impact of the declining value of the dollar continues, interest rates will begin to rise.

Growth is not expected to pick up much until the second half of 1986. Inflation will remain moderate. Interest rates will decline through the third quarter of 1986. The decline in interest rates accompanied by the fall in the value of the dollar will stimulate interest-sensitive sectors of the economy and net exports.

- Housing starts will rise from 1.76 million in 1985 to over 1.8 million in 1986 and 1987.
- Business investment growth will rise from 3.7 percent in 1986 to 5.8 percent in 1987.
- Net exports will begin contributing to growth in 1987, increasing GNP growth by 0.4 percentage points.

Declining interest rates, the slowdown in U.S. growth, and record trade deficits are all contributing to the decline in the value of the dollar. The dollar is expected to drop 15 percent from its current level by 1988. As the dollar declines, protectionist pressure will abate.

Oil prices remain weak, and a further decline in prices is probable. *The current outlook assumes no increases in the dollar price of oil through 1990.*

Despite many negative economic signals, Wharton does not expect a recession in the next three years. U.S. recessions have typically involved a severe economic shock—a major fiscal policy shift, a dramatic oil price increase, or restrictive monetary policy.

- Oil prices are much more likely to fall than to rise.
- Congress is unlikely to cut spending in ways that would trigger a recession.
- The Federal Reserve is more likely to be accommodating than restrictive, given the low-inflation/low-growth experience of the last year and continuing international agreement to bring down the value of the dollar.

Long-Term Outlook

The basic issues confronting long-term growth are:

- the federal deficit and its impact on financial markets. Recent action by the U.S. Congress and the administration have made it much more likely that the deficit will cease to be an issue after 10 years.
- tax reform and tax changes. By 1989 the pressure for increased taxes to reduce the growth of the federal debt is assumed to result in a 7 percent increase in personal income tax rates and a $10 billion increase in corporate taxes.

In addition Wharton anticipates a national economic slump in 1989-90.

Summary

The opening of the U.S. economy to the international flow of both goods and capital has had a profound impact on the structure of the U.S. economy. U.S. history may no longer be a useful guide to where we are headed, and there are lessons to be learned from the successes and mistakes of our trading partners.

The result has been the emergence of a two-tiered economy in the United States. The import-competing and export sectors have been hurt badly. Employment in these sectors has been flat, and they have seen few price increases. The nontrading portions of the economy—services, construction, and defense-related industries—have grown briskly and have seen their prices rise 5 to 7 percent. This split in the U.S. economy is likely to persist for some time.

Alabama Overview

Alabama's economy is expected to continue to improve through 1986, extending the economic gains most evident toward the end of 1985. Consider the following trends:

- The declining value of the dollar will make the State's textile, apparel, and chemical products more competitive against foreign imports.
- Brisk auto sales nationwide should strengthen Alabama's transportation equipment manufacturers.
- Alabama's construction industry will benefit from lower long-term interest rates.
- Expansion of the Birmingham Municipal Airport, a new mall and office complex, and the $60 million horse racing track will stimulate economic growth in Birmingham and in Jefferson and Shelby counties.
- Strong demand for aerospace products, electronics and automobile parts continue to propel the Madison county economy.
- A new high-tech steel minimill, an electronics plant, and consumer and convention facilities in Tuscaloosa mark the beginning of a major economic revitalization for West Alabama.
- The Saturn plant in middle Tennessee will increase demand for steel and other construction materials in northern Alabama.

There are risks for the Alabama economy in the months ahead. On the down-side,

- Rising consumer debt as a percent of total disposable income could cool consumer spending.
- A significant increase in long-term interest rates would slow the national and regional expansion.
- Consumer enthusiasm for new automobiles, high in 1985, may diminish in 1986 weakening demand for the State's transportation equipment.

Writing in the February 1986 issue of the Federal Reserve Board's **Economic Review**, research economists also conclude that although overall growth is unlikely to be as strong in 1986 as in 1984 (Alabama's best year during the recovery) most barometers suggest 1986 will be a better year than 1985.

OUTPUT

Alabama Real Gross State Product (GSP), the total real dollar value of all goods and services produced in Alabama for any given year, has recovered from the 1980 and 1982 recessions. Following a significant rebound of 6.5 percent in 1984, current estimates show 1985 GSP growth at 3.0 percent. However, as shown in the following table, Alabama Per Capita GSP remains at less than 75.0 percent of Per Capita Gross National Product (GNP).

Alabama

Short-Term Outlook

	1986	1987
GSP Growth Rate	3.0%	3.5%
Per Capita GSP	$5,288	$5,435
Per Capita GNP	$7,102	$7,259
Relative Wealth Ratio	74.4%	74.9%

While numerous measures can be used to compare regional economies, per capita product (output) measures offer a useful standard of comparative regional wealth. Alabama, with total per capita output at less than 75 percent of the United States as a whole, remains one of the poorest states in the nation. While the current short-term forecast calls for Alabama to grow somewhat faster than the U.S., the long-term forecast does not anticipate any significant improvement in Alabama's relative wealth.

Output Share

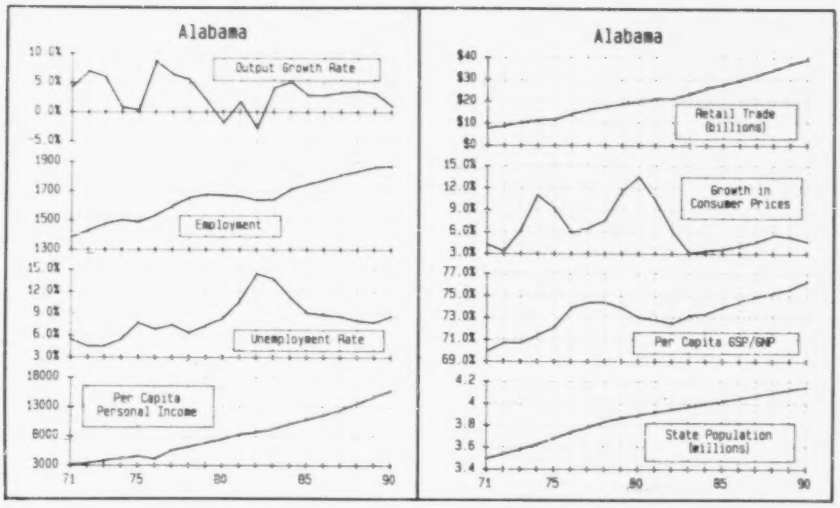
An industry's percentage share of Alabama Real Gross State Product is probably the best single measure of its relative importance to the State's economy. The accompanying bar charts detail output share by industry. Collectively, manufacturing industries dominate Alabama GSP. However, within manufacturing, no single industry contributes more than such nonmanufacturing sectors as trade (17.7 percent of GSP), or government (14.9 percent share). A share table detailing GSP at the industry level is available in the appendix.

Recent Trends and Outlook

As will become apparent in the later sector discussions, there have been several significant shifts in Alabama's industrial structure. Probably the most significant is the steady decline of the relative importance of the steel industry accompanied by the emergence of electrical and nonelectrical machinery industries as growth engines for the Alabama economy. Electrical machinery is the standard industrial classification for many of the industries more commonly referred to as *high-tech*.

In 1971 primary metals accounted for 5.7 percent of total Gross State Product and was the largest individual sector after government (17.8 percent), trade (15.7 percent), and services (10.3 percent). Shifting steadily over time, by 1986 primary metals' relative contribution to total Gross State Product had declined to 2.2 percent. This change represents an actual drop in real output (inflation adjusted 1972 dollars) from $750 million to $474 million in 1986, a decline of 36.8 percent.

Nonelectrical and electrical machinery combined to contribute 1.6 percent of



total real Gross State Product in 1971. By 1986 their share is expected to rise to 3.45 percent, larger than any other single manufacturing sector. In current dollars, primary metals' 1986 output in estimated to be $962 million. Nonelectrical and electrical machinery output for the same period is at $1.5 billion. Of this total, $911 million represents the output from electrical machinery.

Madison county (and Huntsville in particular) has been the prime beneficiary of this industrial diversification. The home of Redstone Arsenal and the George C. Marshall Space Flight Center, Huntsville has become the rallying point for much of Alabama's move into the 21st century. Most recently however, Tuscaloosa, the home of The University of Alabama, has begun to attract a broad based collection of new and expanding modern industries.

Jefferson and Shelby counties have also attracted new industry, much of it allied to the University of Alabama—Birmingham and the University's Medical Center. Montgomery and Mobile have also seen new and expanding industry in recent months.

All of this is to suggest that Alabama has the potential to attract and support a new and expanding industrial base. However, to successfully compete over the long run, local and State policies and programs must be developed and targeted to attract and support a revitalization of an aging industrial economy.

Highlights

	1986	1987	1988	1989	1990
Real Gross State Output					
Growth Rate	3.0%	3.5%	3.7%	3.4%	1.0%
Per Capita (GSP/GNP)	74.4%	74.9%	75.2%	75.6%	76.3%
Per Capita Personal Income					
Per Year	$11,600	$12,500	$13,600	$14,700	$15,800
Percent of U.S.	82.0%	82.6%	83.5%	84.0%	85.1%
U.S. Deflators (Growth Rates)					
Personal Consumption	4.0%	4.6%	4.9%	4.6%	4.2%
Consumer Price Index	4.1%	4.6%	5.5%	5.2%	4.6%
Unemployment Rate					
U.S.	7.5%	7.4%	6.9%	6.7%	7.6%
Alabama	8.7%	8.5%	7.9%	7.7%	8.6%

Employment

The accompanying charts clearly detail past trends and the outlook for Alabama employment. While manufacturing output as a share of total Gross State Product has remained steady at 27.5 to 28.5 percent, manufacturing employment as a percent of total employment has been steadily declining. In 1971 manufacturing accounted for 23.1 percent of all Alabama employment. In 1986 manufacturing's share had fallen to 20.8 percent.

Services and trade's share of Gross State Product continues to grow. In 1986 services and trade will combine to account for 34.5 percent of all Alabama workers, up from 30.3 in 1971. While this trend follows the national pattern of movement away from manufacturing toward the service industries, current estimates of Alabama Gross State Product by industry tell a somewhat different story.

While more will be said on this later, recent trends suggest that the decline in manufacturing employment has not been accompanied by a decline in manufacturing output. Rather current estimates of real Gross State Product by industry indicate that manufacturing productivity has begun to rise in many industries, resulting in a net increase in real output. As a result, real output share of total Alabama GSP for manufacturing has not fallen like manufacturing's share of total employment; and in fact, manufacturing's share of total GSP is forecasted to rise through 1989.

Wages

In 1986 the highest wages in Alabama will be paid by the paper industry,

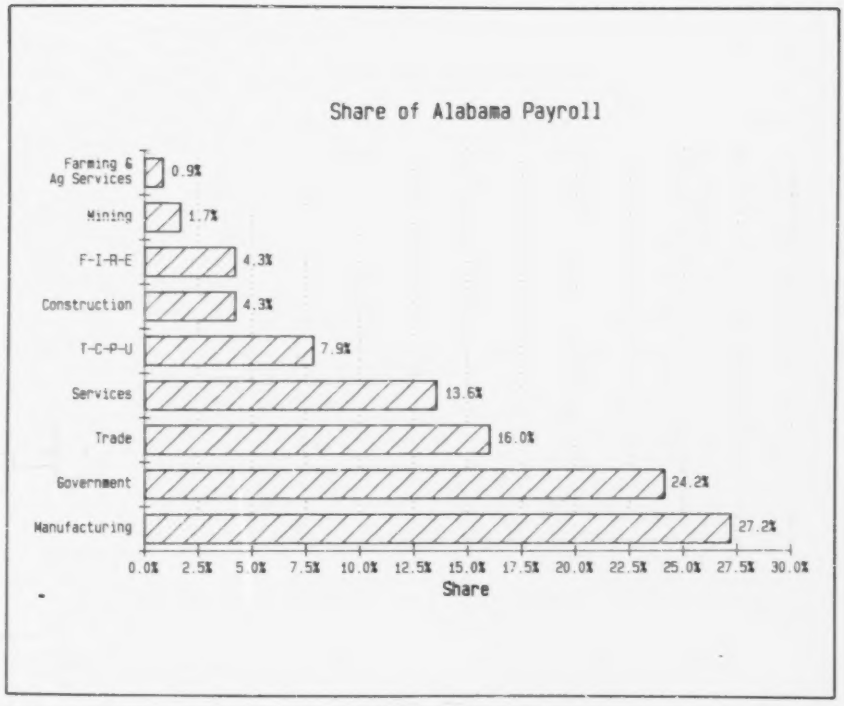
$32,301 per year; mining, $32,148; and chemicals, $31,946. And, the current forecast does not call for any major wage rate shifts among industries. Alabama has enjoyed a competitive wage advantage for many years. The Selected Indicators table in the appendix gives an historic and forecast overview of Alabama's nondurable and durable comparative advantage.

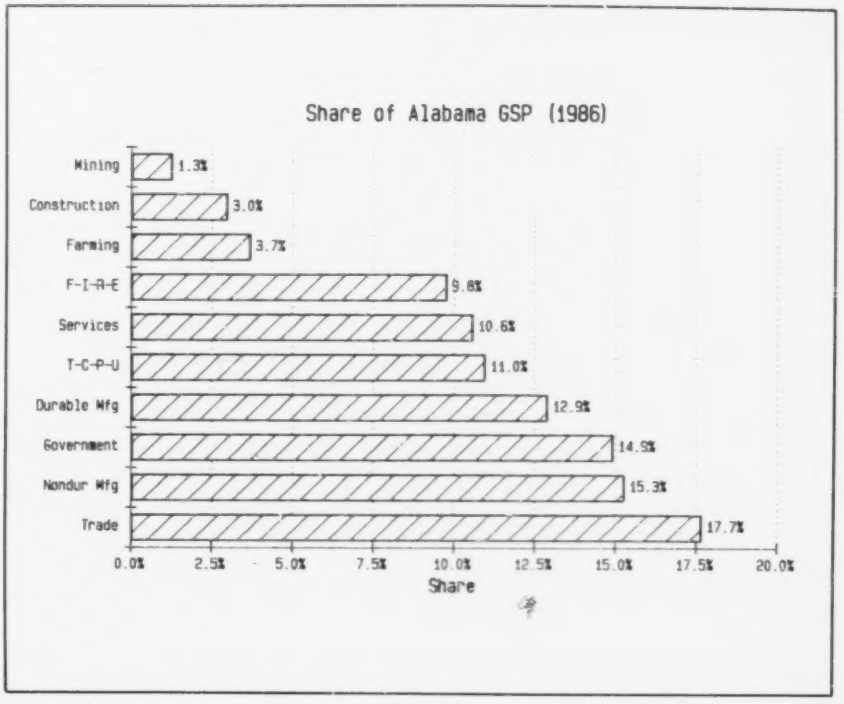
In 1971 Alabama nondurable industries, on average, paid 80 percent of the average wage paid in U.S. nondurable industries. Alabama durable manufacturing industries paid 81 percent of the U.S. average. Industrial wages rose through the 1970s, and by 1979 Alabama's nondurable and durable goods industries were paying 85 percent of the U.S. average. Then came the recessions of 1980 and 1982. Widespread unemployment in Alabama manufacturing dramatically slowed the growth in Alabama manufacturing wage rates. As a result, by 1982 Alabama's comparative wage advantage fell to 83 percent in nondurables and 81 percent in durable goods industries.

CONCLUSION

As the U.S. economy continues to recover from the 1982 recession, Alabama will experience continued growth in most economic sectors. Electrical and nonelectrical machinery, paper, chemicals, and apparel will register particularly vigorous growth over the balance of the decade. Trade, finance, insurance, and real estate (FIRE), and services will also serve to strengthen the Alabama economy.

The value of the dollar has had and could have an even greater impact on Alabama's economy. The declining value of the dollar has improved the competitive position of such diverse Alabama products as coal, natural gas, limestone, forest products, and agricultural commodities. Further, Alabama has greatly benefited from falling oil prices. Should this trend continue, or prices remain at current levels, Alabama can expect significant benefits to agriculture, mining, and manufacturing.





Alabama Manufacturing

As indicated in the U.S. Overview, manufacturing employment in the United States has actually declined over the past 12 months. Alabama manufacturing, however, continues to show a steady recovery from the double recessions of 1980 and 1982. Annual growth rates for Alabama manufacturing output, the total dollar value of all goods produced in Alabama's manufacturing industries, are expected to exceed the growth rates for the Alabama economy as a whole for the balance of the decade. Further, manufacturing is expected to continue to account for over 28 percent of total Alabama Gross State Product (GSP), the total dollar value of all goods and services produced in Alabama. As a result, manufacturing will continue to be the largest economic sector in the State.

Manufacturing Output

Alabama real manufacturing output (the inflation adjusted total dollar value of all goods produced by Alabama's manufacturing industries) has grown every year since 1971 except for the three national recession years of 1975, 1980, and 1982. However, the most interesting trends in this sector concern the rapidly shifting importance (or prominence) of selected Alabama manufacturing industries.

While one could compute the "relative importance" of a state's industrial activity in several ways, the most widely accepted approach is also the simplest–sector share of the total. Gross output for each sector, the total dollar value of goods and/or services, is divided by total gross state product. The resulting percentage "share" is a direct measure of how much any given industrial sector contributes to the total output of the state. GSP shares have been computed for each of Alabama's industrial sectors and are reported in the appendix.

In 1971 durable goods industries accounted for a little more than 14 percent of all goods and services produced in Alabama.

Nondurable manufacturing accounted for slightly more than 13 percent. By 1986 durable manufacturing's share had fallen to an estimated 12.7 percent of total Gross State Product and nondurable's share had risen to 15.0 percent. Where within the manufacturing sector did changes occur?

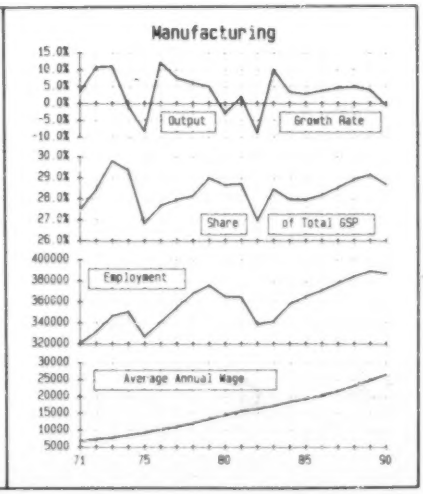
Manufacturing Employment

The recent recessions did take their toll. Manufacturing employment reached a high of 375,000 in 1979 only to fall to 338,000 in 1982, a loss of 37,000 jobs. Total manufacturing employment is not expected to fully recover from this loss until 1987 when its employment is forecasted to rise above 377,000. Manufacturing employment growth is expected to continue its upward trend through 1989 climbing to over 388,000. As a consequence, manufacturing employment as a percentage of total employment in Alabama should remain stable at around 20 percent.

Manufacturing Wages

The average Alabama manufacturing wage rate, excluding benefits, has grown steadily over the past 15 years. In 1971 the average annual Alabama nondurable and durable manufacturing wage rates were both approximately 80 percent of their corresponding U.S. average wage rate, $6,270 and $7,469 compared to $7,823 and $9,232. By 1985 however, the Alabama average annual nondurable manufacturing wage was estimated to be $17,854 or 85 percent of the U.S. average of $20,967. Average annual durable manufacturing wages have not fared so well. Hurt by the continuing decline of the Alabama steel industry, the average annual durable manufacturing wage in 1985 was estimated to still be only 80 percent of the U.S., rising to $20,760 compared to the U.S. average of $25,766. This shift toward nondurable manufacturing will

Nondurable Manufacturing	Durable Manufacturing
Food	Lumber
Textiles	Furniture
Apparel	Primary Metals
Paper	Fabricated Metals
Printing, Publishing	Nonelectrical Machinery
Chemicals	Electrical Machinery
Rubber, Plastic	All Transportation Equipment
Other Nondurable	Stone, Clay, Glass
	Other Durable



become more apparent in the following discussion of Alabama manufacturing output by industry.

Given the diversity of the manufacturing sector, detailed comparisons are best made at the industry level. The table lists manufacturing's component industries.

Alabama manufacturing output is expected to grow faster than the Alabama economy as a whole for the balance of the decade.

NONDURABLE MANUFACTURING

Output Share

A comparative review of industrial output by sector, 1971 to 1986, reveals that four of the nondurable goods industries have experienced notable increases in their share of total Gross State Product: apparel, 1.7 to 2.7 percent; paper, 2.2 to 2.8; chemicals, 1.6 to 1.8; and rubber and plastics, 1.1 to 1.8. Of equal interest is the declining role of several nondurable industries. Food, as a percent of total GSP, has declined from 2.3 percent in 1971 to 2.1 percent in 1986; and textiles, from 2.8 to 2.4. While it is often controversial to say that one industry is more important than another to the State's economy, it is correct in this case to observe that there has been a shift in the relative contribution of these six sectors to total Gross State Product over the past 15 years. Whether these changes are good or bad for the Alabama economy is a far more complex question.

As a developing economy with a comparative wage advantage over most other states, Alabama has attracted a great many apparel manufacturing plants. A common fixture in many rural Alabama counties, apparel manufacturing is expected to account for 2.7 percent of Alabama Gross State Product in 1986. Second only in size to paper manufacturing, Alabama's apparel industry has grown from a 1.7 percent share of GSP in 1971. The current outlook is for continued growth through the balance of the decade with the share of total GSP rising to 2.9 percent by 1990. Real growth is expected to average 4.8 percent through 1990.

With a projected 2.8 percent share of Alabama GSP, the paper industry is expected to contribute more to Alabama Gross State Product in 1986 than any other manufacturing industry. Growing steadily since 1971, the paper industry has manufacturing facilities in virtually every part of the State, and is expected to grow more rapidly than the U.S. paper industry as a whole over the balance of the decade. By 1990 the paper industry is expected to increase to 2.9 percent of total Gross State Product, a gain of 1 percent over 1986. Real growth should average a little over 3 percent per year.

The chemicals industry in Alabama experienced vigorous growth through the 1970s. The mid-decade recession of 1974-75 which affected so many of Alabama's manufacturing industries had virtually no impact on chemicals output which continued to grow. However, 1980 marked the beginning of four consecutive years of decline. Recovery in 1984 was strong though and growth for the remainder of the decade should average over 5 percent per year.

The rubber and plastics industry in Alabama is quite diverse. There are at least five large rubber plants, divisions of national and international corporations, which employ more than 1,000 people each. In addition there are many medium-size and small companies making an interesting variety of products from not only rubber but also polyurethane, polyethylene, fiberglass, and plastics. Industry share of total Gross State Product should rise to 1.8 percent in 1986 up from 1.1 percent in 1971. Further, real growth is expected to remain strong averaging over 4 percent per year for the rest of the decade.

Textiles (manufacturers of broad- and narrow-woven fabrics, cord, twine, and nets) has also been an ever present industry in Alabama and the South. However, recent years have seen the loss of many textile jobs to foreign competitors. Accounting for 2.8 percent of total GSP in 1971, textile output is expected to fall to 2.4 percent of the total in 1986. Growth for the balance of the decade, forecasted to average 2.7 percent, should be stable but lower than other nondurable industries.

Employment

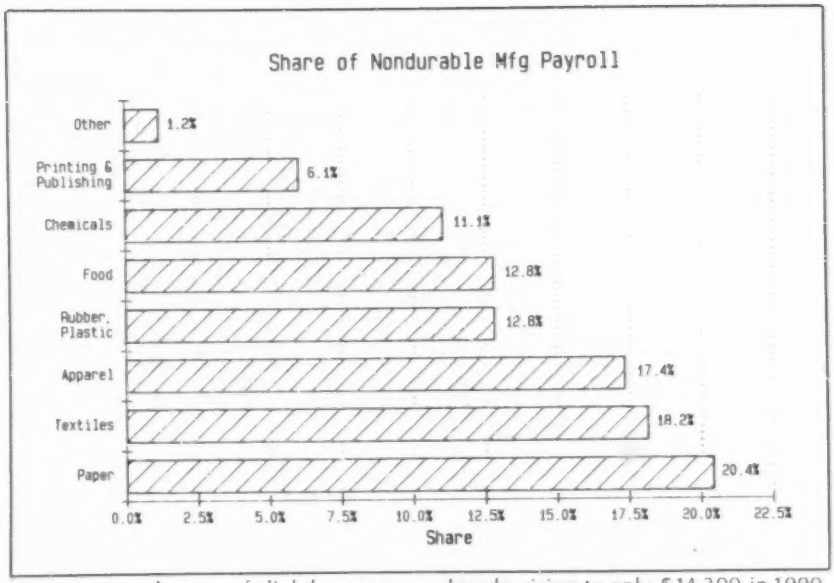
In addition to the 1 percent increase in apparel's output share, employment in the apparel industry has increased from 46,000 to almost 57,000 workers--the largest increase of any nondurable goods industry and the second largest manufacturing employment increase. As a labor intensive industry, apparel manufacturing facilities have offered employment opportunities in many rural Alabama communities. However, the relatively low wage rates continue to keep Alabama's per capita personal income among the lowest in the nation. The 1986 Alabama average annual wage in the apparel industry was $11,000 as compared with the average annual nondurable manufacturing wage of $18,700. Of equal concern, such facilities are prime candidates for foreign operations where wages are even lower. As a result, there will be continuing downward pressure on domestic apparel wages, keeping them the lowest of all of Alabama's manufacturing industries. Employment

in apparel is expected to remain constant through 1990.

Rubber and plastics, with the third largest output share increase, has experienced the second largest increase in nondurable employment. Rising from 10,000 workers in 1971, rubber and plastics will employ over 16,000 in 1986. Unlike apparel workers, workers in this industry are well paid with an average annual salary of over $28,000 in 1986, compared to the average Alabama manufacturing wage of $20,000. Employment growth should average 2.9 percent through the rest of the decade.

The paper and allied products industry, long a staple in the Alabama economy, has experienced steady growth over the past 15 years. Employing a little more than 18,000 people in 1971, 1986 employment should reach 23,000 workers making paper the fourth largest nondurable goods industry. Like workers in rubber and plastics, the Alabama paper industry pays its employees well. In fact, 1986 average annual wages are expected to top $32,000, the highest wage of any Alabama industry. Employment in the paper industry will remain slightly over 23,000 for the next five years.

While output in the Alabama chemicals industry has risen over the past 15 years, employment in chemicals appears to have remained virtually unchanged. In 1971 chemicals employed 12,500 workers. In 1986 chemicals employment is expected to be essentially unchanged. This paints, however, a misleading picture. A study of year-to-year employment between 1971 and 1986 tells a considerably more interesting story. Consider, for example, that chemicals employed almost 16,000 workers in 1979 prior to the recessions in 1980 and 1982. Chemical industry wages, like paper, are excellent. In 1986 the average annual wage is expected to be almost $32,000. This would put chemicals just slightly lower than paper and mining, making it the third highest paying industry in Alabama. As will be discussed later, Alabama mining wages are second with a 1986 average annual wage of slightly more than $32,000, just under that of paper workers.



Wages

In 1986 the average annual wage rate in Alabama's nondurable industries is expected to be $18,700, compared to an average annual wage of $21,800 in the durable goods industries and $20,000 for manufacturing as a whole. As suggested earlier, nondurable wages are best characterized by the wage disparities in such sectors as apparel and by the wages paid in paper and chemicals. In 1986 apparel workers are expected to earn only slightly more than one third the average annual wage of paper and chemicals workers. Such wage comparisons help identify those industries that can have the greatest impact on Alabama total personal income.

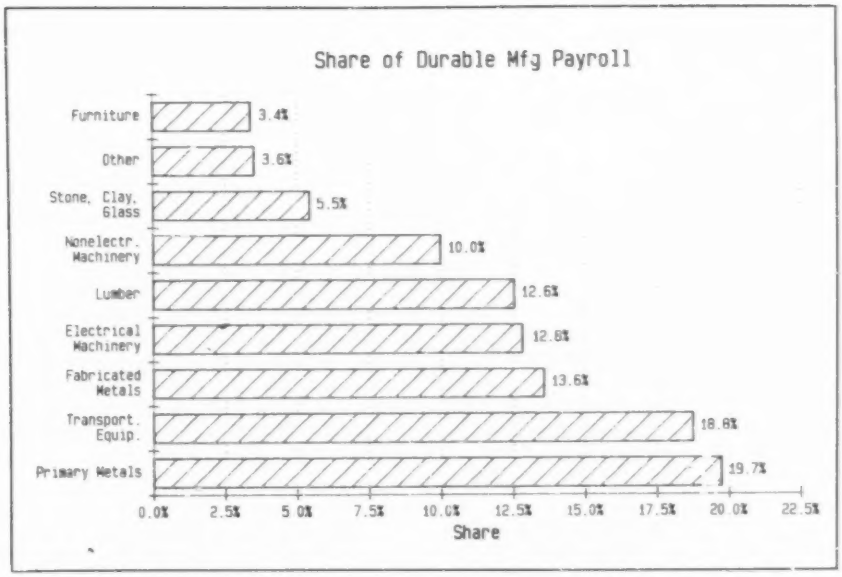
The outlook for 1990 average annual wage rates does not suggest any major shifts among manufacturing industries. Chemicals workers are expected to earn the top wage at $43,400 per year; paper workers a close second at $43,000; and rubber and plastics third at $37,000. Apparel workers are expected to see only very modest increases through the balance of the decade, rising to only $14,300 in 1990.

DURABLE MANUFACTURING

Output

The singular story in Alabama durable manufacturing is the continuing steady decline in the relative contribution of primary metals and the rising contribution of electrical and nonelectrical machinery. In 1971 primary metals accounted for 5.7 percent of total Gross State Product. By 1981 primary metals' contribution had fallen to 3.5 percent and its share of total GSP is expected to be less than 2.3 percent by the end of 1986. This decline is expected to continue with GSP share falling to 1.8 percent in 1990. Growth through 1988 should average about 4.0 percent. However, a national economic slump projected for 1990 is expected to hit primary metals hard causing a significant decline in output for 1990.

Electrical and nonelectrical machinery include those industries often referred to as *high-tech*. Included in these categories are those Alabama businesses making telephone and telegraph apparatus; communications equipment, radar and sonar; other electronic devices; and machinery and



equipment, other than electrical equipment and transportation equipment. While Huntsville is the site of much of this recent expansion, Tuscaloosa and several other major metropolitan areas have attracted new high-tech manufacturing facilities.

In 1971 electrical and nonelectrical machinery combined to account for 1.6 percent of total GSP. By 1981 this total had risen to 2.8 percent. In 1986 these industries are expected to contribute 3.5 percent to total Gross State Product. This trend is forecasted to continue through 1990 when their combined share will reach 3.9 percent. Growth through 1990 should be vigorous, averaging close to 6.0 percent annually.

Transportation equipment, lumber, and fabricated metals are the next largest industries within durable manufacturing, accounting for a combined GSP share of 5.5 percent in 1986. Each has experienced steady growth over the past 15 years. The current forecast shows average growth rates of 4.1, 3.6, and 3.9 percent, respectively, through 1989. The anticipated national decline in 1990 is expected to hit lumber the hardest with a projected decline in output of -4.1 percent in that same year.

Employment

Durable manufacturing employment, like manufacturing as a whole, has been experiencing a declining share of total Alabama employment. However, in the case of durable manufacturing, almost the entire loss can be attributed to the sharp decline in primary metals employment. In 1978 primary metals reached an employment high of 45,000 workers, third largest in manufacturing behind apparel and textiles. By 1983 primary metals employment was down to 24,900, or a loss of 20,100 jobs. These 20,000 jobs represent 95 percent of the 21,000 jobs lost in durable manufacturing over this period and 76 percent of the 26,400 jobs lost in all manufacturing industries between 1978 and 1983.

A new pipe mill in Birmingham and several new mini-mills combined with callbacks around the State pushed primary metals employment up through 1984 and 1985. The current forecast calls for this trend to continue with primary metals employment peaking in 1988 at 30,000 to then decline through 1990 to 26,500.

Electrical and nonelectrical machinery employment has grown very rapidly during the past five years. Electrical machinery with 19,300 jobs in 1981 shows 1986 employment at 23,900, an increase of 4,600. This trend is even more dramatic when viewed over the past fifteen years. In 1971 electrical machinery employed only 9,500 workers. Growing an average of 9 percent a year, electrical machinery employment grew more rapidly over this 15 year period than any other Alabama industry. This trend is expected to continue with employment reaching 25,700 in 1990. A similar trend is forecast for nonelectrical machinery, growing from 17,600 in 1986 to 20,700 by 1990.

Wages

Durable manufacturing wages have consistently been higher than nondurable manufacturing. Recalling the low wages paid in the apparel and textiles industries this is really not surprising. In 1986 the average annual wage in durable manufacturing was estimated to be $21,800. Forecasts call for the average wage to rise to $28,200 by 1990.

Wages in primary metals have increased steadily over the entire period as employment and output have fallen. Rising from $23,800 in 1981 to $27,100 in 1986, the average annual wage in primary metals is expected to top $32,000 by the end of the decade–an interesting trend in light of falling output and employment.

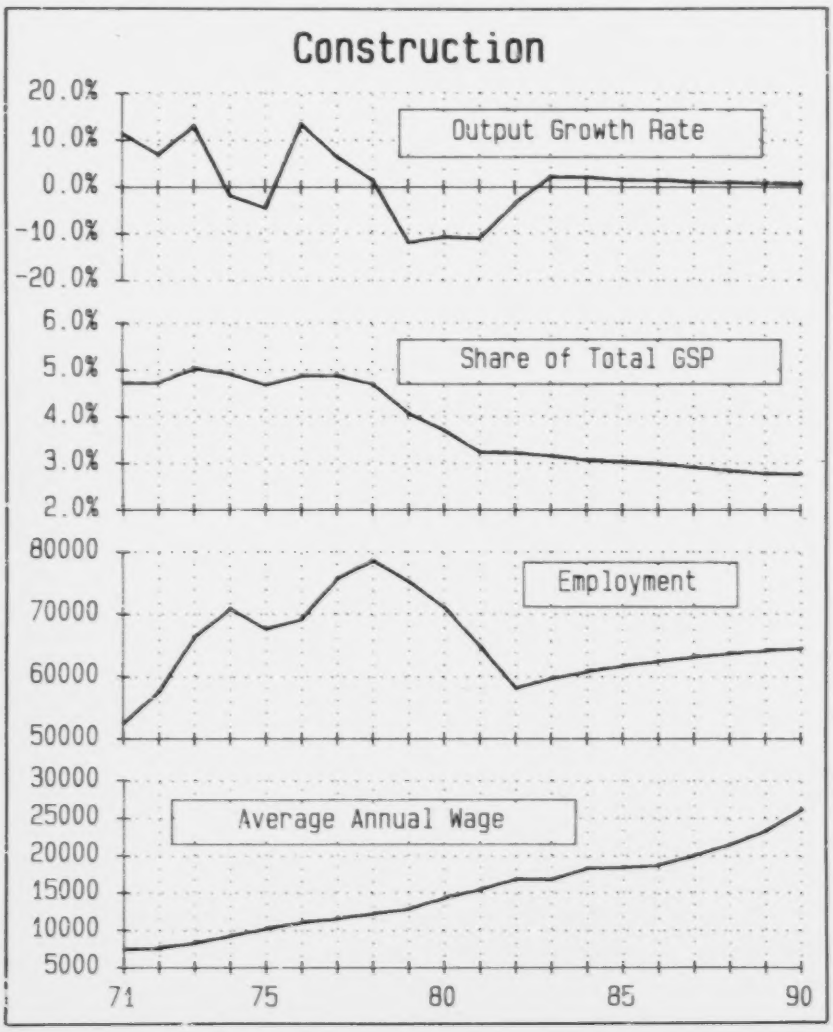
Transportation equipment workers earned the highest durable manufacturing wage in 1986 averaging $28,500. This is expected to climb above $38,400 by the end of the decade. Electrical and nonelectrical machinery wages, estimated to average $21,400 in 1986, are forecasted to average $28,300 in 1990. Such wage rates dominate durable-manufacturing where lumber and furniture workers averaged $16,400 and $13,900 respectively in 1986. Lumber and furniture wages are projected to increase to $21,300 and $17,900 in 1990.

CONSTRUCTION

Alabama construction was hurt badly by the recessions of 1980 and 1982. Over the four year period, 1979-1982, real construction output fell an average of 9.25 percent a year. Having enjoyed vigorous growth early in the decade (11.4, 6.9, and 13.0 percent respectively in 1971, 1972, and 1973), the 1975-1976 recession was to be a hint of things to come.

Output

In 1971 construction accounted for 4.7 percent of total Gross State Product (GSP). During the following growth years, the share increased to a high of 5.0 percent in 1973. The 1975-1976 recession saw construction activity contract to 4.7 percent and then fall dramatically from 1979-1982. As a result, 1986 real construction share of GSP is estimated to be only 2.9 percent. The outlook is for very modest growth through the end of the decade with its GSP share continuing to fall to a new low in 1990 of 2.7 percent. However, construction activity is so closely tied to industrial activity that should the State begin to realize its full economic growth potential, the outlook for contract construction could be considerably brighter.



Employment

As one would expect, employment in construction closely parallels construction output. In 1971 construction employment accounted for 3.8 percent of total Alabama employment. Rising to 4.7 percent by 1974, employment was then to fall to 4.5 percent as a result of the 1975 recession. But, as with output, it was the 1980 and 1982 recessions that were the most devastating. In 1978 contract construction employed 78,700 workers. By 1982 that number had fallen to 58,000. And, while construction employment has experienced a modest recovery with a 1986 forecast of 62,500, construction employment is not expected to reach its former high during this forecast horizon. The current forecast calls for 1990 construction employment to reach only 64,600.

Wages

Construction wages over the past 15 years have more than kept pace with inflation. In 1971 the average annual wage of a construction worker was $7,400. By 1980 the average annual wage had risen 95 percent to $14,400, while the cost of living over the same period rose less than 80 percent. Such gains in wages, however, were not uncommon in Alabama where virtually every industry experienced real growth in wage compensation.

Construction wages have steadily increased through the recession of the early 1980s and are expected to be $18,700 per year in 1986. Current forecasts call for average annual wages in construction to continue their upward climb reaching $26,100 by 1990.

Mining

Alabama mining includes metal ore mining, coal mining, oil and gas extraction, and quarrying. Dominated by bituminous coal mining, recent activity has been marked by fluctuating output, employment, and wage growth. New on- and offshore oil and gas fields will serve to diversify and thus stabilize the industry. And, as the economy continues to recover from the recessions of 1980 and 1982, the energy market is expected to improve. However, the recent fall in oil prices will continue to soften demand for most energy products in the near term.

Highlights

	1986	1987	1988	1989	1990
Real Mining Output					
Growth Rate	6.7%	7.5%	8.6%	10.1%	6.8%
Share of Total GSP	1.3%	1.3%	1.4%	1.5%	1.5%
Employment					
•Number of Workers	14,700	15,000	15,500	15,900	16,300
Share of Total	0.8%	0.8%	0.8%	0.8%	0.9%
Mining Wages					
Average Annual Wage	$32,100	$34,200	$37,000	$39,700	$42,400
Growth Rate	6.1%	6.4%	8.2%	7.4%	6.7%

Output

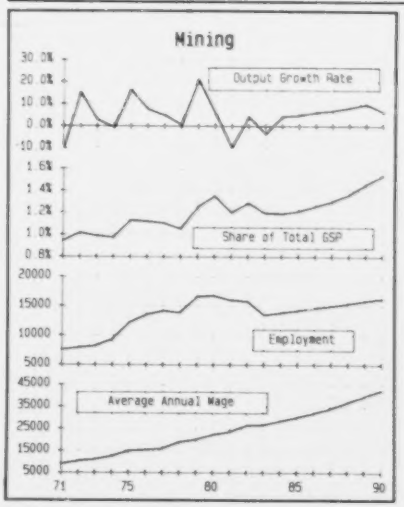
Mining's share of real Gross State Product (GSP) rose steadily through the 1970s. In 1971 mining accounted for only 0.9 percent of total GSP. By 1980 this contribution had risen to 1.3 percent. Much of this growth can, however, be attributed to the oil embargo and the rapid rise in oil prices–increasing the demand for and driving up the price of Alabama coal.

The decade ended on a down note with the first of the double dip recessions in 1980. Alabama mining did not feel the full force of the slump until 1981 when real output fell by over 9.0 percent. A short lived recovery followed in 1981 only to see output fall 3.4 percent in 1983–on each occasion, lagging the recession by about 12 months.

As the national and worldwide recovery continue, output in Alabama mining should continue to strengthen. The current forecast shows growth in the 8.0 percent range through the balance of the decade with GSP share rising through 1990 to a high of 1.5 percent. This increase is somewhat dependent on the continued exploration and development of new coal, oil, and gas fields.

Employment

Employment, like output, grew most rapidly during the 1970s. In 1971 mining employed an estimated 7,600 workers. That number had jumped to 12,200 in 1975. And, by the end of the decade in 1980, mining employment had risen to a high of 16,700. The recession years saw that total fall steadily for the next three years reaching a low in 1983 of 13,500. Following a modest recovery, employment is now estimated at 14,600. The outlook calls for employment to increase each year through the end of the decade, rising to 16,300 in 1990.



Wages

Mining pays well. In 1971 mining paid an average annual wage of $9,000. Driven by rising demand for coal and labor, wages rose rapidly throughout the 1970s. By 1980 mining was paying an average of $22,300 per year. Though demand weakened from 1981 to 1983, wage pressure continued pushing the average to over $30,000 by 1985. As seen earlier in the charts on Alabama payroll, 1986 total mining payroll is expected to account for approximately 1.7 percent of the State's total.

The current forecast calls for continued growth with the average annual wage reaching $42,000 by 1990. Mining's share of total personal income, less than 1.0 percent in 1971, rose to 1.2 percent by 1982. However, the layoffs resulting from the recession depressed mining's contribution, dropping it to an estimated 0.9 percent in 1985. This should increase slightly over the balance of the decade, rising to a little more than 1.0 percent by 1990.

•Numbers such as wages and number of persons employed have been rounded for ease of presentation.

Trade and Services

TRADE

Trade contributes significantly to Alabama Gross State Product (GSP), employment, and earnings. Composed of wholesale trade and retail trade, retail trade is by far the larger of the two. While wages are generally lower than other service and manufacturing industries, trade's employment share is the largest after manufacturing as a whole. As a result, trade's total payroll is the largest of any of the State's economic sectors.

Output

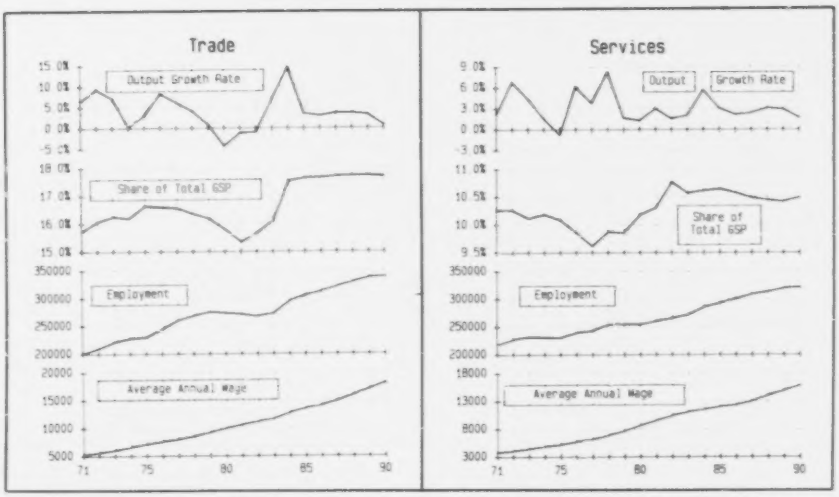
Real growth in trade has been steady over the past 15 years. However, like the rest of Alabama, trade suffered from the 1975, 1980, and 1982 recessions. Most recently, trade enjoyed a substantial recovery growing over 14 percent from 1983 to 1984. Although slowed by the recessions, trade's share of total real Gross State Product has grown over the past 15 years. In 1971 trade accounted for 15.7 percent of GSP. By 1986 trade's share had grown to 17.4 percent. The current forecast calls for trade's share to remain constant through the end of the decade.

Employment

In 1986 trade employment ranked third among all economic sectors behind manufacturing and government. Accounting for 14.5 percent of total employment in 1971, trade employment rose to 17.5 by 1986, equaling its share of GSP. Trade's employment share is expected to continue to rise through 1990, reaching a high in that year of 18.0 percent.

Wages

Trade has traditionally paid lower wages than many Alabama industries. In 1971 trade paid an average annual wage of $5,300. And, while trade wages have risen over the past 15 years, the estimated average annual wage of $14,100 for 1986 keeps it among the lowest of all industries. The current forecast calls for steady increases over the remainder of the decade. However, the projected 1990 average annual wage of $18,200 would still be among the lowest of any Alabama industry.



SERVICES

No other industrial sector can match services in diversity. Services employment ranges from highly educated, highly specialized, highly paid professionals to jobs which make few educational or skill demands on their incumbents and pay minimum wage or even less. The majority of services employment is clustered toward the low end of the spectrum and this is where most future employment and output gains are expected. Among the service industries are lodging places; personal, business, and repair services; amusement establishments; and health, legal, engineering, and other professional services.

Services, like trade, has experienced good growth over the past 15 years. In fact while trade suffered temporary setbacks during the three recessions of 1975, 1980, and 1982, services proved to be a bit more resilient suffering only one declining growth year, 1975.

Output

There is a popular misconception about trade and services in Alabama. Principally as a result of the most recent boom in retail and services construction, many people have concluded that Alabama is moving away from manufacturing and toward services. Services' output share of total GSP has risen from 10.3 percent in 1971 to an estimated 10.4 percent in 1986. And while services' growth has kept pace with general growth in the economy, there is little evidence of a major economic shift away from manufacturing and toward the services sector. As indicated earlier, manufacturing's share of GSP holds steady at 27 to 28 percent and selected manufacturing industries such as electrical machinery are the source of a great deal of Alabama's recent economic growth.

Employment

Services' share of total employment will reach 16.9 percent in 1986, up from 15.8 in 1971. With several employment retrenchments during the recession years, services is currently projected to employ 300,000 persons in 1986. Employment growth in services through 1990 should average 1.9 percent.

Wages

Average services wages, like trade, are among the lowest of any industry. However, as indicated earlier, because of the great diversity in services, such a low average also suggests that many persons in services are being paid considerably less than the average. The average annual wage rate is forecasted to rise from $12,400 in 1986 to $15,900 in 1990.

Finance, Insurance, and Real Estate

The finance, insurance, and real estate (FIRE) sector has experienced growth during 12 of the past 15 years. While most industries suffered a cyclical decline during the recession of 1975, FIRE did not. And while FIRE did feel the effects of the 1980 and 1982 recessions, the industry did not suffer as badly as most manufacturing industries.

Output

The Alabama Econometric Model currently provides a two component breakdown for FIRE: banking and nonbanking. In 1986 FIRE is expected to account for an estimated 11.2 percent of total Gross State Product (GSP), of which 1.5 percent reflects banking and 9.7 percent nonbanking activity. And, while FIRE and its component industries have experienced continuous growth since 1971, their share of GSP has grown only modestly, rising from 10.5, 1.4, and 9.1 percent respectively. With an average annual growth rate of 4.5 percent through the 1970s, FIRE output suffered two declining years in 1982 and 1983. However, like so many Alabama industries, FIRE experienced a strong recovery in 1984, growing over 13.0 percent.

Over the period 1971 to 1985 banking grew more rapidly than FIRE as a whole. From 1971 to 1980 banking grew at an average annual rate of 4.9 percent compared to 4.5 for FIRE. And, looking at the last nine years, 1972-1980, banking grew at a 5.9 percent annual rate. The explanation centers around interest rates of the period. As rates increased during the 1970s, the real estate industry began to decline. As a result, the industry was in a major slump by 1980. Banking, on the other hand, was the prime beneficiary at least initially. While other industries were in a state of decline, banking continued to grow through 1979 and 1980. However, by 1981 the full impact of the recession hit the industry, and for the next two years banking suffered as badly as the economy as a whole, declining 21.0 percent over two years. And, while most industries began their recovery in 1983, banking grew by less than 1.0 percent.

The outlook for FIRE is positive. The current forecast calls for very steady increases over the balance of the decade. While all of the economy benefits from stable federal reserve policies, FIRE is a major beneficiary. With output so closely tied to interest rates and economic expansion, finance, insurance, and real estate should experience a period of calm expansion over the next five years.

Employment

Employment in FIRE has grown more rapidly than the economy as a whole. In 1971 FIRE accounted for 2.9 percent of total Alabama employment. The current forecast calls for FIRE to employ 3.8 percent of all Alabama workers. Like output growth however, the majority of this growth occurred in the banking industry. In 1971 banking accounted for less than 1.0 of total employment. In 1986 banking will employ 1.2 percent or a share increase of 38.9 percent over 1971 compared to a 23.0 percent share increase for insurance and real estate. These shares translate to 67,900 jobs in 1986 for the industry as a whole– 22,100 in banking and 45,800 in insurance and real estate. The current outlook calls for annual increases of over 2.0 percent, resulting in 6,900 new jobs between now and the end of the decade.

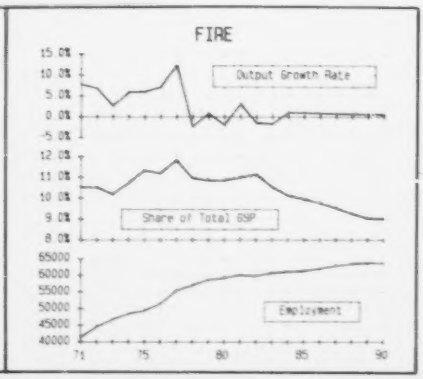
Wages

On average, wages in finance, insurance, and real estate are lower than most manufacturing and service industries. While FIRE average annual wage rates compared favorably with manufacturing wages in 1971, by 1980 significant differences had begun to develop. In 1971 FIRE paid an average annual wage of $7,000 compared to $6,800 for manufacturing, $9,000 for mining, and $8,400 for transportation, communications, and public utilities (TCPU). In 1980 FIRE's average annual wage was $13,100 while manufacturing was up to $14,400, mining to $22,300, and TCPU to $18,300. While easy explanations usually suffer from oversimplifications, the most likely reason for this shift in wage share is union wage pressure in these other industries.

In 1986 FIRE wages are expected to average $18,900 per year. The outlook calls for modest increases over the balance of the decade, with the average annual wages should reach $20,500 and insurance and real estate climbing to $25,900 in 1990.

Highlights

	1986	1987	1988	1989	1990
Real FIRE Output					
Growth Rate	2.2%	2.5%	2.8%	3.1%	1.8%
Share of Total GSP	11.2%	11.1%	11.0%	10.9%	11.0%
Employment					
Number of Workers	68,000	70,100	72,100	73,800	74,900
Share of Total	3.8%	3.9%	3.9%	3.9%	4.0%
FIRE Wages					
Average Annual Wage	$18,900	$20,100	$21,400	$22,800	$24,200
Growth Rate	5.1%	6.0%	6.6%	6.7%	6.1%

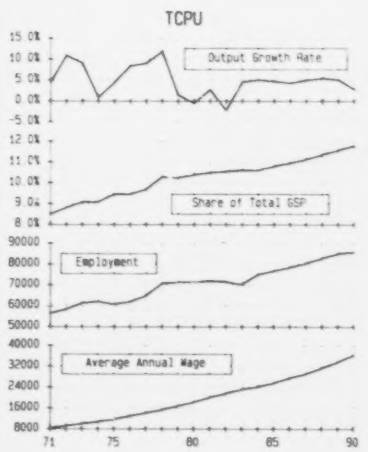


Transportation, Communications, And Public Utilities

The transportation, communications, and public utilities sector (TCPU) is projected to account for 10.8 percent of total Gross State Product (GSP) in 1986, making TCPU a major contributor to Alabama's economy. In 1986 TCPU output was divided among the component industries as follows: communications, 4.6 percent; transportation, 2.6 percent; and public utilities, 3.6 percent. At 4.6 percent communications as a basic industry is larger than any manufacturing industry, construction, or mining.

Highlights

	1986
Real TCPU Output	
Growth Rate	4.3%
Share of Total GSP	10.8%
Employment	
Number of Workers	78,500
Share of Total	4.4%
TCPU Wages	
Average Annual Wage	$27,600
Growth Rate	7.4%



Output

TCPU output has grown steadily since 1971. Real growth averaged slightly more than 6.7 percent through 1979 before experiencing a decline as a result of the 1980 recession. An inside look, however, reveals an interesting difference among the component industries. Transportation experienced declines in 1971, 1975, 1979, and 1980, suffering from every recession and leading the way in 1950. As a result, transportation's average growth rate was only 2.6 percent. Public utilities, experiencing declines in 1974, 1979, and 1980, grew an average of 5.9 percent. Communications, however, experienced virtually unparalleled growth. Unaffected by the recessions of the period, communications grew an average of 9.7 percent a year.

The 1980s have seen TCPU continue to grow. Slowed only by the 1982 recession, TCPU has grown an average of 2.9 percent annually through 1985. Transportation again suffered the worst during the 1982 recession. In fact transportation did not experience the 1981 rebound like most U.S. and Alabama industries. As a result, transportation's real output share in 1985 and 1986 is estimated to be less than its 1984 share. Public utilities has experienced excellent growth since 1980 averaging over 4.0 percent a year. The 1982 recession cut growth to less than 0.2 percent but the period 1983 to 1985 has seen a strong recovery with average growth of over 4.7 percent a year. Communications, again the star performer, has averaged 4.2 percent during the 1981-85 period and grew by 5.3 percent in 1986.

Such sustained growth has carried TCPU from a 1971 8.5 percent share of GSP to an estimated 10.7 percent in 1986. The current forecast calls for continued strong growth through the end of the decade. Communications is expected to be the top performer. Again showing its resilience, communications is forecasted to continue to grow into 1990 when many industries are expected to slump during an anticipated cyclical downturn. Communications' growth should average over 5.7 percent a year; transportation over 3.0 percent; and public utilities, 3.9 percent.

Employment

TCPU employment has increased steadily throughout most of the 1970s and the first half of the current decade. However, TCPU employment has not grown as rapidly as output. As a result, TCPU labor productivity has also risen over the past 15 years.

Transportation accounts for the largest share of TCPU employment. Employing 31,600 in 1971, transportation employment rose to 35,500 in 1986, or 2.0 percent of total Alabama employment. Communications is next with 24,200 in 1986 followed by public utilities with 18,700. With continued growth throughout the Alabama economy, TCPU should continue to gain in employment share through the end of the decade when it is projected to employ 85,900 persons or 4.5 percent of total employment.

Wages

TCPU pays a competitive wage across its three component industries. Public utilities tops the list with an average annual wage of $30,700 in 1986. Communications and transportation follow with wages of $28,500 and $25,400, respectively. These wages compare quite favorably with the average annual manufacturing wage of $20,200 and the federal civilian wage of $28,900. Only chemicals at $31,900, and mining and paper at $32,000 pay significantly more. The current forecast calls for wage increases through the balance of the decade with the average TCPU wage rising to $36,400 by 1990.

GOVERNMENT

The Alabama government sector is composed of State and local government agencies, federal civilian, and federal military. While government activity could be viewed as a service, many see government's role in the economy as *noncontributor* to the economic or industrial base. However, government payrolls are an important part of most local economies and in truth, tax dollars (the revenue source for most government activity) ultimately flow back into the private sector.

Output

Government's combined share of total economic activity has actually decreased over the past 15 years. In 1971 government activity accounted for 17.8 percent of total Alabama Gross State Product (GSP)–8.1 percent in State and local government and 9.7 percent federal. By 1980 government's share had declined to 16.2 percent. However, at that time State and local government's share had actually risen to 9.3 percent with federal government's share down to 6.9 percent.

That overall trend has continued into the 1980s where in 1986 total government activity is expected to account for 14.7 percent, down over 3.0 percentage points from 17.8 percent in 1971. However this time, while State and local government accounts for over half of total government activity, its share of total GSP is down compared to 1980. In 1986 State and local government is expected to account for 8.7 percent of total GSP with federal government accounting for 6.0 percent. This reflects a continuing decline in federal government activity in Alabama and a reversal in State and local government's upward trend of the 1980s.

While government's share of total GSP is declining, this is not to suggest that the level of activity (the size of government) is contracting. As one would suspect, the size of government in absolute terms continues to increase. Government grew at an average annual rate of 1.7 percent from 1971 to 1975 and 3.4 percent from 1976 through 1980.

The current outlook calls for modest growth through the balance of the decade. State and local government is expected to grow an average of 2.3 percent per year while federal government activity is expected to average less than 1.0 percent.

Employment

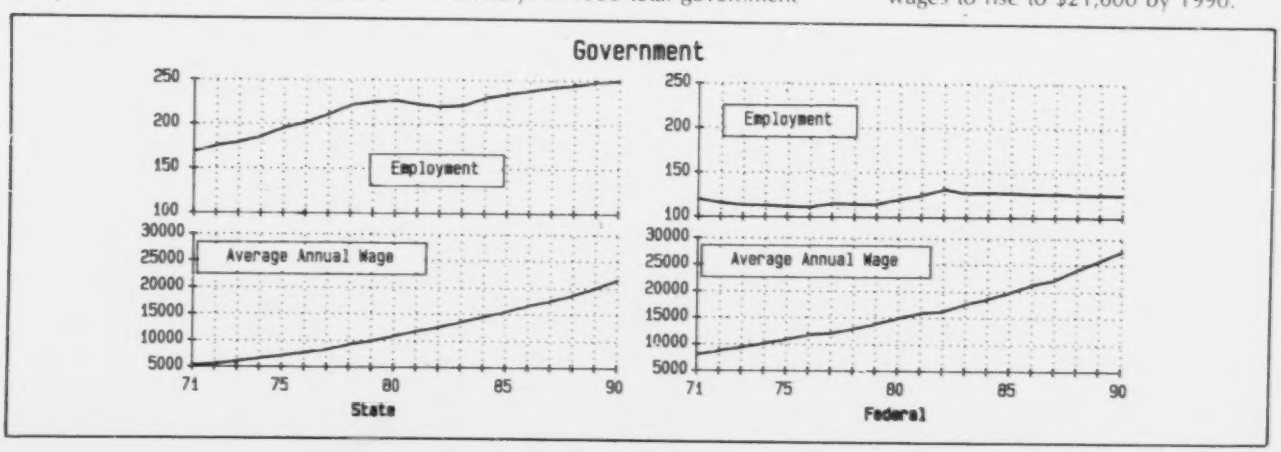
While government's share of total GSP has been declining, its share of total employment has remained very stable over the same period. In 1971 government employment accounted for 20.8 percent of total Alabama employment: 12.2 percent, State and local government; 4.3 percent, federal civilian; and 4.3 percent, federal military. In 1980 total government employment share held at 20.8 percent; however, State and local government had increased its share to 13.6 percent, an increase of 57,800 people or 34 percent over 1971.

Government is expected to account for 20.4 percent of total employment in 1986, a slight decline from 1980. This declining share is mainly the result of a decrease in the growth rate of State and local government employment. However, this is a decrease in the rate of growth, not a decrease in the number employed. In 1986 State and local government employment is expected to be 237,900, up 11,000 over 1980 and federal employment up by over 6,000 employees.

This trend is expected to continue. The current forecast calls for government employment to increase by 10,900 workers between 1986 and 1990.

Wages

Within the government sector, federal civilian wages are by far the highest. In 1971 State and local employees were paid an average annual wage of $5,200; federal civilian, $11,400; and federal military, $4,600. By 1981 federal civilian wages were up to $22,000, State and local had risen to $11,800, and federal military were the lowest at $9,200 per year. Current projections call for State and local wages to rise to $21,600 by 1990.



APPENDIX

ALABAMA REGIONAL ECONOMIC INFORMATION SYSTEM -- CBER/UOFA MARCH 18,1986

TABLE 1.00 SELECTED INDICATORS

	LABEL		1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1												
2		GROSS PRODUCT (ALA-GSP,US-GNP)										
3	ATGSP	GSP CUR $ (BIL).....	35.611	36.530	39.650	44.268	47.345	50.815	55.100	59.867	64.899	68.906
4			10.1%	2.6%	8.5%	11.6%	7.0%	7.3%	8.4%	8.7%	8.4%	6.2%
5												
6	UNGNP	GNP CUR $ (BIL).....	2957.751	3069.253	3304.795	3661.080	3912.644	4191.324	4532.676	4920.387	5323.332	5616.113
7			12.4%	3.8%	7.7%	10.8%	6.9%	7.1%	8.1%	8.6%	8.2%	5.5%
8												
9	ATRSP	GSP 72 $ (BIL).....	18.732	18.199	18.945	20.171	20.778	21.394	22.135	22.961	23.738	23.984
10			1.8%	-2.8%	4.1%	6.5%	3.0%	3.0%	3.5%	3.7%	3.4%	1.0%
11												
12	URGNP	GNP 72 $ (BIL).....	1513.800	1485.400	1535.310	1639.049	1682.202	1726.057	1780.935	1843.227	1900.253	1907.390
13			2.6%	-1.9%	3.4%	6.8%	2.6%	2.6%	3.2%	3.5%	3.1%	.4%
14												
15		PER CAPITA GSP 72 $ (THOU)	4.779	4.614	4.772	5.048	5.169	5.288	5.435	5.602	5.754	5.779
16			1.1%	-3.5%	3.4%	5.8%	2.4%	2.3%	2.8%	3.1%	2.7%	.4%
17												
18		PER CAPITA GNP 72 $ (THOU)	6.568	6.370	6.521	6.882	6.990	7.102	7.259	7.446	7.612	7.578
19			1.4%	-3.0%	2.4%	5.5%	1.6%	1.6%	2.2%	2.6%	2.2%	-.4%
20												
21		PER CAP GSP/PER CAP GNP...	72.765	72.425	73.170	73.348	73.939	74.457	74.881	75.232	75.595	76.266
22												
23		US DEFLATOR 72=100 GROWTH RATE										
24	UGNPDF	- GROSS NATIONAL PRODUCT	9.6%	6.0%	3.8%	3.7%	4.1%	4.4%	4.8%	4.9%	4.9%	5.1%
25												
26	UPCDF	- PERSONAL CONSUMPTION..	8.7%	5.9%	3.7%	3.1%	3.3%	4.0%	4.6%	4.9%	4.6%	4.2%
27												
28		- CONSUMER PRICE INDEX..	10.2%	6.0%	3.0%	3.4%	3.6%	4.1%	4.6%	5.5%	5.2%	4.6%
29												
30	ATPOP	POPULATION - ALABAMA (MIL)....	3.919	3.945	3.970	3.996	4.020	4.046	4.072	4.099	4.125	4.150
31												
32	UTPOP	- USA (MIL).....	230.469	233.184	235.425	238.168	240.645	243.055	245.348	247.542	249.653	251.708
33												
34		ALABAMA TOTAL EMPLOYMENT (MIL)	1.661	1.635	1.640	1.714	1.750	1.781	1.816	1.845	1.874	1.883
35			-.4%	-1.6%	.3%	4.5%	2.1%	1.8%	2.0%	1.6%	1.6%	.5%
36												
37	AUER	ALABAMA UNEMPLOYMENT RATE (%).	10.700	14.400	13.700	11.100	9.032	8.739	8.514	7.927	7.726	8.648
38												
39	UUER	US UNEMPLOYMENT RATE (%).....	7.600	9.700	9.600	7.500	7.440	7.550	7.360	6.860	6.700	7.600
40												

The tables selected to appear in the Appendix are from the companion publication of Forecast Tables. In order to be consistent, the corresponding table numbers from that detailed publication have been retained.

TABLE 1.10 SELECTED INDICATORS -- (CONTINUED)

	LABEL		1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1		ALABAMA INCOME										
2	ATPY	TOTAL PERSONAL CUR $ (BIL).	32.491	34.119	36.536	40.363	43.548	46.940	50.927	55.669	60.718	65.365
3			11.5%	5.0%	7.1%	10.5%	7.9%	7.8%	8.5%	9.3%	9.1%	7.7%
4		- 72 $ (BIL).	16.702	16.559	17.103	18.324	19.134	19.824	20.564	21.432	22.358	23.104
5			2.6%	-.9%	3.3%	7.1%	4.4%	3.6%	3.7%	4.2%	4.3%	3.3%
6												
7	ATPYPC	PER CAPITA CUR $ (THOU)....	8.290	8.649	9.202	10.100	10.833	11.601	12.506	13.582	14.718	15.751
8			10.8%	4.3%	6.4%	9.8%	7.3%	7.1%	7.8%	8.6%	8.4%	7.0%
9												
10	UTPYPC	US PER CAPITA CUR $ (THOU)....	10.539	11.086	11.656	12.647	13.360	14.145	15.146	16.260	17.520	18.510
11			10.9%	5.2%	5.1%	8.5%	5.6%	5.9%	7.1%	7.4%	7.8%	5.6%
12												
13		ALA/US COMPARATIVE ADVANTAGE	.787	.780	.790	.799	.811	.820	.826	.835	.840	.851
14												
15	ADPY	TOTAL DISPOSABLE CUR $(BIL)	27.370	28.934	31.162	34.738	37.292	40.196	43.522	47.414	51.347	54.674
16			10.6%	5.7%	7.7%	11.5%	7.4%	7.8%	8.3%	8.9%	8.3%	6.5%
17		- 72 $ (BIL)	14.069	14.042	14.587	15.770	16.386	16.976	17.574	18.254	18.907	19.325
18			1.8%	-.2%	3.9%	8.1%	3.9%	3.6%	3.5%	3.9%	3.6%	2.2%
19												
20		PER CAPITA 72 $ (THOU).....	3.590	3.560	3.674	3.946	4.076	4.196	4.315	4.454	4.583	4.657
21			1.1%	-.8%	3.2%	7.4%	3.3%	2.9%	2.9%	3.2%	2.9%	1.6%
22		MANUFACTURING WAGE RATES										
23	AWPANM	NONDURABLE - ALA CUR $(THOU)	14.377	15.151	16.203	17.184	17.854	18.789	20.026	21.563	23.131	24.820
24			9.0%	5.4%	6.9%	6.1%	3.9%	5.2%	6.6%	7.7%	7.3%	7.3%
25												
26	UWPANM	- US CUR $ (THOU)	17.001	18.297	19.387	20.386	20.967	21.933	23.302	25.055	26.798	28.695
27			9.0%	7.6%	6.0%	5.2%	2.8%	4.6%	6.2%	7.5%	7.0%	7.1%
28												
29		ALA/US COMPARATIVE ADVANTAGE	.846	.828	.836	.843	.852	.857	.859	.861	.863	.865
30												
31	AWPADM	DURABLE - ALA CUR $ (THOU)..	17.169	17.587	18.381	19.694	20.760	21.878	23.133	24.718	26.445	28.250
32			8.6%	2.4%	4.5%	7.1%	5.4%	5.4%	5.7%	6.9%	7.0%	6.8%
33												
34	UWPADM	- US CUR $ (THOU)...	20.413	21.714	22.943	24.836	25.766	27.253	28.740	31.034	33.337	35.873
35			9.6%	6.4%	5.7%	8.3%	3.7%	5.8%	5.5%	8.0%	7.4%	7.6%
36												
37		ALA/US COMPARATIVE ADVANTAGE	.841	.810	.801	.793	.806	.803	.805	.796	.793	.788
38												
39		ALABAMA RETAIL TRADE										
40	ARTTSR	- CUR $ (BIL).....	20.982	21.265	23.264	26.041	27.790	29.747	32.004	34.627	37.252	39.295
41			6.4%	1.3%	9.4%	11.9%	6.7%	7.0%	7.6%	8.2%	7.6%	5.5%
42		- 72 $ (BIL).....	10.785	10.320	10.890	11.822	12.211	12.563	12.923	13.331	13.717	13.889
43			-2.1%	-4.3%	5.5%	8.6%	3.3%	2.9%	2.9%	3.2%	2.9%	1.3%
44		ALABAMA STATE TAX REVENUES										
45		- TOTAL CUR $ (BIL).....	2.202	2.265	2.755	2.778	2.936	3.130	3.351	3.610	3.891	4.162
46			16.3%	2.9%	21.6%	.8%	5.7%	6.6%	7.1%	7.7%	7.8%	7.0%
47		ALABAMA ENERGY CONSUMPTION										
48		- ELECTRICITY INDEX 72=100	126.625	114.367	111.855	131.011	135.871	143.268	151.425	161.966	175.863	176.858
49		- NATURAL GAS INDEX 72=100	97.797	87.277	81.043	87.025	90.986	93.974	96.609	99.095	101.369	102.340
50	AGCPC	GASOLINE CONSUMED PER CAP(GAL)	470.909	466.942	470.090	482.964	493.821	502.939	510.581	516.940	522.212	526.586

TABLE 2.10 OUTPUT SECTOR -- INDUSTRY SHARE OF TOTAL (%)
1 & 2 DIGIT SIC INDUSTRY GROUPS

LABEL	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
TOTAL REAL GROSS STATE PRODUCT	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
MANUFACTURING.....	28.700	26.925	28.445	27.606	27.522	27.729	28.034	28.352	28.511	28.015
NONDURABLE.....	15.038	14.759	15.450	14.933	14.900	15.033	15.120	15.256	15.424	15.510
FOOD.....	2.322	2.352	2.254	2.127	2.108	2.122	2.112	2.109	2.111	2.109
TEXTILES.....	2.771	2.698	2.977	2.607	2.374	2.379	2.382	2.409	2.431	2.342
APPAREL.....	2.472	2.445	2.608	2.596	2.630	2.658	2.689	2.728	2.788	2.880
PAPER.....	2.392	2.555	2.866	2.792	2.795	2.810	2.821	2.832	2.849	2.886
PRINTING, PUBLISHING.....	.657	.654	.660	.651	.753	.769	.755	.747	.748	.767
CHEMICALS.....	2.050	1.753	1.663	1.735	1.804	1.856	1.907	1.964	2.016	2.047
RUBBER, PLASTIC.....	1.602	1.566	1.726	1.780	1.817	1.844	1.881	1.918	1.950	1.955
OTHER NONDURABLE.....	.774	.736	.697	.645	.619	.596	.572	.550	.531	.523
DURABLE.....	13.661	12.166	12.995	12.672	12.622	12.696	12.913	13.096	13.087	12.505
LUMBER.....	1.783	1.714	1.869	1.812	1.822	1.836	1.846	1.862	1.842	1.748
FURNITURE.....	.432	.412	.449	.425	.433	.450	.462	.461	.468	.462
PRIMARY METALS.....	3.555	2.533	2.338	2.335	2.243	2.215	2.286	2.276	2.149	1.780
FABRICATED METALS.....	1.735	1.621	1.642	1.563	1.567	1.574	1.570	1.592	1.601	1.545
NONELECTRICAL MACHINERY..	1.260	1.159	1.346	1.293	1.309	1.354	1.430	1.512	1.579	1.581
ELECTRICAL MACHINERY.....	1.607	1.709	1.990	2.000	2.041	2.097	2.173	2.247	2.294	2.257
ALL TRANS EQUIP.....	2.071	1.879	2.127	2.047	2.053	2.066	2.078	2.097	2.116	2.114
STONE, CLAY, GLASS.....	.721	.648	.702	.683	.684	.694	.716	.738	.751	.736
OTHER DURABLE.....	.496	.489	.538	.514	.469	.410	.352	.310	.285	.282
MINING.....	1.201	1.291	1.198	1.184	1.213	1.257	1.306	1.367	1.456	1.539
CONSTRUCTION.....	3.235	3.214	3.156	3.022	2.981	2.933	2.866	2.788	2.717	2.706
TRADE.....	15.353	15.671	16.094	17.318	17.398	17.390	17.409	17.390	17.362	17.296
SERVICES.....	10.309	10.775	10.567	10.491	10.495	10.412	10.310	10.248	10.201	10.265
FINANCE, INSUR, REAL ESTATE..	11.013	11.165	10.546	11.250	11.244	11.164	11.063	10.968	10.934	11.019
BANKING.....	1.644	1.374	1.325	1.540	1.538	1.526	1.512	1.498	1.493	1.504
NONBANKING.....	9.369	9.786	9.221	9.710	9.706	9.638	9.551	9.470	9.441	9.515
TRANS, COMM, PUB UTIL.....	10.506	10.567	10.615	10.480	10.649	10.786	10.953	11.140	11.325	11.523
TRANSPORTATION.....	2.883	2.714	2.734	2.590	2.584	2.584	2.601	2.628	2.643	2.619
COMMUNICATIONS.....	4.212	4.341	4.392	4.421	4.536	4.640	4.771	4.901	5.026	5.201
PUBLIC UTILITIES.....	3.406	3.511	3.489	3.469	3.529	3.562	3.581	3.611	3.655	3.703
GOVERNMENT.....	15.855	16.182	15.624	15.037	14.877	14.689	14.416	14.105	13.842	13.888
STATE AND LOCAL.....	8.926	9.017	8.894	8.691	8.702	8.680	8.593	8.472	8.371	8.453
FEDERAL.....	6.924	7.160	6.730	6.346	6.174	6.010	5.823	5.634	5.471	5.435
FARMING.....	3.833	4.215	3.748	3.612	3.619	3.636	3.641	3.638	3.649	3.746

TABLE 2.21 OUTPUT SECTOR -- GROWTH RATES
1 & 2-DIGIT SIC INDUSTRY GROUPS -- CURRENT $

	LABEL		1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1												
2	ATGSP	TOTAL GROSS STATE PRODUCT.....	10.1%	2.6%	8.5%	11.6%	7.0%	7.3%	8.4%	8.7%	8.4%	6.2%
3												
4	AMFGSP	MANUFACTURING.....	10.0%	-6.6%	12.0%	10.2%	5.7%	6.6%	8.3%	8.3%	7.4%	3.0%
5												
6	ANMGSP	NONDURABLE.....	11.8%	-.7%	11.9%	19.0%	5.3%	6.4%	8.0%	8.3%	7.9%	5.2%
7	AFDGSP	FOOD.....	12.1%	-1.3%	4.4%	15.4%	4.5%	6.2%	6.9%	7.2%	6.8%	4.6%
8	ATXGSP	TEXTILES.....	5.5%	-4.5%	19.8%	24.3%	-3.9%	5.7%	7.6%	8.6%	7.7%	.8%
9	AAPGSP	APPAREL.....	13.2%	4.1%	13.7%	35.9%	6.9%	6.6%	8.7%	8.9%	9.0%	8.1%
10	APAGSP	PAPER.....	14.2%	4.0%	17.2%	8.3%	5.6%	6.1%	7.8%	7.8%	7.3%	6.0%
11	APTGSP	PRINTING, PUBLISHING.....	14.3%	4.2%	14.8%	-4.5%	22.1%	7.7%	5.5%	6.1%	7.0%	7.3%
12	ACHGSP	CHEMICALS.....	11.8%	-8.0%	-.3%	16.5%	9.7%	8.5%	10.4%	10.5%	9.6%	6.3%
13	ARBGSP	RUBBER, PLASTIC.....	17.6%	-.8%	17.2%	35.9%	7.7%	7.1%	9.6%	9.4%	8.5%	5.0%
14	AONGSP	OTHER NONDURABLE.....	8.3%	-1.9%	4.7%	1.6%	1.2%	1.6%	3.2%	3.2%	3.0%	3.1%
15												
16	ADMGSP	DURABLE.....	8.2%	-12.2%	12.0%	.6%	6.3%	6.8%	8.5%	8.3%	6.7%	.0%
17	ALUGSP	LUMBER.....	-6.0%	-8.6%	28.2%	4.6%	7.3%	7.0%	7.3%	7.7%	5.6%	-.6%
18	AFUGSP	FURNITURE.....	13.3%	2.9%	16.4%	.0%	8.7%	10.4%	9.5%	6.5%	8.4%	3.3%
19	APMGSP	PRIMARY METALS.....	6.6%	-30.1%	-4.8%	-14.7%	2.6%	4.8%	10.1%	6.3%	.8%	-13.3%
20	AFPGSP	FABRICATED METALS.....	10.9%	-5.1%	3.7%	-7.8%	7.0%	6.6%	6.4%	8.3%	7.4%	1.0%
21	AMYGSP	NONELECTRICAL MACHINERY..	11.7%	-7.2%	19.0%	7.1%	8.1%	9.8%	12.8%	12.9%	11.5%	4.8%
22	AELGSP	ELECTRICAL MACHINERY.....	13.0%	5.4%	25.1%	24.9%	8.9%	9.1%	10.6%	10.4%	9.0%	3.0%
23	AATGSP	ALL TRANS EQUIP.....	15.5%	-2.1%	18.3%	3.5%	7.0%	6.9%	7.3%	7.7%	7.7%	4.6%
24	ASCGSP	STONE, CLAY, GLASS.....	.4%	-8.9%	16.9%	-5.2%	6.9%	7.8%	10.1%	10.0%	8.7%	2.5%
25	AODGSP	OTHER DURABLE.....	18.4%	-1.2%	15.2%	3.7%	-2.6%	-7.3%	-8.2%	-6.2%	-1.6%	3.5%
26												
27	AMIGSP	MINING.....	7.4%	6.9%	-10.3%	-16.5%	12.2%	12.9%	13.9%	16.3%	17.7%	13.9%
28	ACSGSP	CONSTRUCTION.....	-4.7%	-.3%	5.1%	5.9%	11.6%	5.5%	4.3%	5.9%	6.4%	7.0%
29	ATRGSP	TRADE.....	6.5%	3.4%	9.9%	22.2%	4.7%	5.2%	9.1%	9.5%	8.7%	5.1%
30	ASVGSP	SERVICES.....	12.2%	10.9%	9.6%	8.8%	8.3%	7.2%	9.7%	8.7%	8.7%	6.9%
31												
32	AFIGSP	FINANCE, INSUR, REAL ESTATE..	12.5%	5.4%	7.4%	14.0%	6.7%	9.0%	9.8%	9.6%	8.9%	6.8%
33	AGSPBK	BANKING.....	7.0%	-13.3%	9.5%	24.3%	6.6%	8.9%	9.8%	9.5%	8.8%	6.8%
34	AGSPNB	NONBANKING.....	13.6%	8.6%	7.1%	12.5%	6.7%	9.0%	9.6%	9.6%	8.9%	6.8%
35												
36	ATUGSP	TRANS, COMM, PUB UTIL.....	13.0%	9.5%	10.7%	10.1%	8.3%	9.1%	8.3%	9.5%	9.3%	7.4%
37	AGSPTN	TRANSPORTATION.....	8.3%	1.3%	7.2%	-1.9%	6.4%	7.7%	7.4%	8.7%	8.1%	4.6%
38	AGSPCN	COMMUNICATIONS.....	11.1%	9.0%	9.9%	53.7%	9.4%	10.2%	9.7%	10.6%	10.2%	9.2%
39	AGSPPU	PUBLIC UTILITIES.....	18.6%	16.4%	13.8%	-13.3%	8.4%	8.7%	7.2%	8.6%	8.8%	6.9%
40												
41	AGVGSP	GOVERNMENT.....	9.1%	7.1%	7.8%	7.9%	7.9%	8.3%	6.5%	7.0%	8.0%	8.9%
42	ASLGGP	STATE AND LOCAL.....	7.3%	6.0%	10.1%	9.5%	9.2%	9.4%	7.5%	7.8%	8.7%	9.5%
43	AFDGGP	FEDERAL.....	11.5%	8.5%	4.9%	5.7%	6.1%	6.8%	5.2%	5.8%	6.9%	7.8%
44												
45	AFMGSP	FARMING.....	38.9%	-4.0%	-8.7%	24.7%	7.5%	7.4%	8.8%	7.7%	8.0%	8.2%

ALABAMA REGIONAL ECONOMIC INFORMATION SYSTEM -- CBER/UOFA

MARCH 18,1986

TABLE 4.00 WAGE RATE SECTOR (ANNUAL) -- CURRENT $ (THOUSANDS)

	LABEL		1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1												
2	AWPAMF	MANUFACTURING.....	15.721	16.288	17.216	18.375	19.240	20.268	21.527	23.099	24.749	26.469
3												
4	AWPANM	NONDURABLE.....	14.377	15.151	16.203	17.184	17.854	18.789	20.026	21.563	23.131	24.820
5	AWPAFD	FOOD.....	12.953	13.820	14.225	15.330	15.752	16.452	17.445	18.716	19.980	21.356
6	AWPATX	TEXTILES.....	12.272	12.545	14.109	14.690	15.106	15.797	16.777	18.031	19.278	20.636
7	AWPAAP	APPAREL.....	8.758	9.247	9.776	10.324	10.606	11.076	11.741	12.593	13.440	14.362
8	AWPAPA	PAPER.....	24.468	25.959	28.196	29.838	30.763	32.301	34.481	37.272	40.046	43.067
9	AWPAPT	PRINTING, PUBLISHING.....	14.338	15.043	15.875	16.903	17.353	18.106	19.159	20.524	21.853	23.206
10	AWPACH	CHEMICALS.....	22.794	24.021	25.298	27.351	29.563	31.946	34.513	37.278	40.256	43.465
11	AWPARB	RUBBER, PLASTIC.....	21.022	21.953	24.046	25.745	27.073	28.451	30.127	32.222	34.544	37.093
12	AWPAON	OTHER NONDURABLE.....	15.479	17.196	18.806	19.393	20.085	21.246	22.914	25.085	27.281	29.712
13												
14	AWPADM	DURABLE.....	17.169	17.587	18.381	19.694	20.760	21.878	23.133	24.718	26.445	28.250
15	AWPALU	LUMBER.....	12.010	12.479	13.336	14.318	15.332	16.397	17.513	18.705	19.974	21.327
16	AWPAFU	FURNITURE.....	10.987	11.536	11.848	12.766	13.198	13.899	14.600	15.680	16.766	17.960
17	AWPAPM	PRIMARY METALS.....	23.879	23.204	23.651	24.802	25.967	27.148	28.343	29.553	30.779	32.020
18	AWPAFB	FABRICATED METALS.....	15.976	17.020	17.860	19.517	20.244	21.407	22.569	24.363	26.163	28.146
19	AWPAMY	NONELECTRICAL MACHINERY..	16.380	17.353	18.942	20.018	20.775	21.985	23.194	25.061	26.934	28.998
20	AWPAEL	ELECTRICAL MACHINERY.....	15.241	16.263	18.142	18.960	19.689	20.855	22.020	23.818	25.624	27.611
21	AWPATM	TRANS EQUIP & MOTOR VEH..	19.619	21.049	22.995	24.641	26.909	28.023	29.804	31.585	34.332	37.091
22	AWPATE	TRANSPORTATION EQUIP...	20.049	21.552	23.877	25.712	26.781	28.491	30.201	32.839	35.488	38.404
23	AWPAMV	MOTOR VEHICLE.....	18.700	19.807	21.455	23.258	24.357	26.134	27.937	30.764	33.657	36.903
24	AWPASC	STONE, CLAY, GLASS.....	16.897	17.830	18.689	20.591	21.384	22.651	23.918	25.873	27.835	29.996
25	AWPAOD	OTHER DURABLE.....	12.971	14.151	15.061	15.473	15.991	16.818	17.646	18.922	20.204	21.615
26												
27	AWPAMI	MINING.....	23.611	26.561	26.792	28.556	30.310	32.148	34.218	37.022	39.748	42.426
28	AWPACS	CONSTRUCTION.....	15.552	16.966	16.810	18.367	18.443	18.763	20.047	21.493	23.332	26.195
29	AWPATR	TRADE.....	10.671	11.245	11.755	12.858	13.640	14.149	14.975	16.061	17.126	18.243
30	AWPASV	SERVICES.....	9.638	10.524	11.180	11.598	12.120	12.427	13.094	14.113	14.998	15.983
31												
32	AWPAFI	FINANCE, INSUR, REAL ESTATE..	14.234	15.367	16.560	17.303	18.037	18.950	20.080	21.407	22.834	24.225
33	AWPABK	BANKING.....	12.350	13.364	14.471	14.875	15.475	16.221	17.142	18.230	19.397	20.524
34	AWPANB	NONBANKING.....	15.203	16.407	17.623	18.505	19.291	20.267	21.477	22.903	24.446	25.971
35												
36	AWPATU	TRANS, COMM, PUB UTIL.....	20.164	21.638	23.232	24.241	25.734	27.646	29.183	31.361	33.686	36.436
37	AWPATN	TRANSPORTATION.....	19.220	19.854	20.787	22.406	23.729	25.461	26.914	28.872	31.013	33.511
38	AWPACN	COMMUNICATIONS.....	20.432	21.946	24.765	24.907	26.491	28.494	30.061	32.573	35.057	37.762
39	AWPAPU	PUBLIC UTILITIES.....	21.817	24.919	26.170	27.054	28.650	30.699	32.270	34.324	36.655	39.753
40												
41	AWPAAF	AGRI SERV, FOREST, FISHERY...	10.620	10.689	11.120	12.422	12.780	13.374	14.217	15.296	16.369	17.536
42												
43		GOVERNMENT										
44	AWPASL	STATE AND LOCAL.....	11.795	12.578	13.529	14.568	15.530	16.682	17.575	18.676	19.999	21.627
45	AWPAFC	FEDERAL CIVILIAN.....	22.023	22.993	23.976	25.403	26.993	28.967	30.050	32.634	34.882	37.272
46	AWPAFS	FEDERAL MILITARY.....	9.247	9.593	10.857	10.952	11.624	12.457	12.914	14.005	14.954	15.962
47												
48	AWPAFM	FARMING.....	4.422	5.256	5.712	5.503	5.886	6.359	6.732	7.167	7.723	8.372

TABLE 7.00 FINANCIAL SECTOR -- CURRENT $ (BILLIONS)

	LABEL		1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1		MONETARY AGGREGATES										
2		WITH GROWTH RATES										
3												
4		ALABAMA										
5	ACBDSA	COMM BANK TIME & SAVINGS DEP..	11.199	10.197	11.343	15.956	17.590	19.498	21.749	24.464	27.295	29.753
6			19.6%	-8.9%	11.2%	40.7%	10.2%	10.9%	11.5%	12.5%	11.6%	9.0%
7												
8	ACBDDD	COMM BANK DEPOSITS - DEMAND...	4.322	4.292	4.900	5.071	5.480	6.036	6.494	6.944	7.379	7.712
9			-8.0%	-.7%	14.2%	3.5%	8.1%	10.1%	7.6%	6.9%	6.3%	4.5%
10												
11	ASSLTO	SAVINGS IN S & L.....	4.451	4.598	5.263	5.839	6.413	7.016	7.673	8.413	9.213	10.006
12			1.0%	3.3%	14.5%	10.9%	9.8%	9.4%	9.4%	9.6%	9.5%	8.6%
13		USA										
14	UFM1B	CURRENCY & DEPOSITS.....	430.050	458.441	509.116	537.612	581.821	619.368	661.181	698.607	741.192	775.260
15			7.1%	6.6%	11.1%	5.6%	8.2%	6.5%	6.8%	5.7%	6.1%	4.6%
16												
17	UFM2	UFM1B + SMALL TIME DEPOSITS...	1715.248	1879.023	2116.290	2277.717	2466.448	2649.270	2851.865	3069.576	3332.199	3548.578
18			9.5%	9.5%	12.6%	7.6%	8.3%	7.4%	7.6%	7.6%	8.6%	6.5%
19												
20	UFM3	UFM2 + LARGE TIME DEPOSITS....	2121.757	2358.798	2597.732	2819.283	3059.429	3296.546	3564.481	3860.078	4214.020	4514.473
21			11.9%	11.2%	10.1%	8.5%	8.5%	7.8%	8.1%	8.3%	9.2%	7.1%
22												
23	UFDSD	SAVINGS IN ALL INSTITUTIONS...	361.558	350.800	321.367	291.461	296.775	303.154	308.186	307.916	313.831	309.313
24			-10.8%	-3.0%	-8.4%	-9.3%	1.8%	2.1%	1.7%	-.1%	1.9%	-1.4%
25												
26	UFDTS	SMALL TIME DEPOSITS - ALL INST	788.024	858.824	754.466	846.550	863.337	885.157	943.773	988.589	1055.860	1090.684
27			14.7%	9.0%	-12.2%	12.2%	2.0%	2.5%	6.6%	4.7%	6.8%	3.3%
28												
29	UFDMMS	OUTSTANDING MONEY MKT SHARES..	133.316	212.966	187.133	219.500	244.349	254.314	264.430	290.343	318.507	340.961
30			91.2%	59.7%	-12.1%	17.3%	11.3%	4.1%	4.0%	9.8%	9.7%	7.0%
31												
32	UFDTL	LARGE TIME DEPOSITS - ALL INST	288.100	324.358	307.158	399.394	441.267	481.324	534.306	594.060	666.186	732.842
33			21.8%	12.6%	-5.3%	30.0%	10.5%	9.1%	11.0%	11.2%	12.1%	10.0%
34												
35		INTEREST RATES (%)										
36												
37	UFRLCD	LARGE NEGOT CD'S - ALL INST...	15.911	12.271	9.067	10.378	7.680	6.537	7.205	8.185	9.024	9.949
38												
39	UCBR	MOODY CORP BOND TOTAL.....	15.060	14.937	12.779	13.495	12.406	11.546	11.753	11.792	11.858	12.156
40												
41	UFRCP4	SHORT-TERM COMM PAPER	14.756	11.886	8.894	10.154	7.629	6.494	7.099	8.107	8.887	9.747
42												
43	UFRTCE	SMALL TIME DEP AVERAGE	13.787	10.286	8.205	9.408	7.745	6.811	6.887	6.842	7.532	8.341
44												
45	UFRTBE	PASSBK+SMALL TIME DEP AVERAGE.	11.137	8.863	7.363	8.123	6.865	6.161	6.627	6.501	7.036	7.697
46												
47	UMORTR	MORTGAGE (NEW HOUSE).....	14.743	15.120	12.662	12.365	11.399	9.963	10.405	10.776	11.143	11.946
48												

DATA SOURCES

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Dedication

In 1981 Taylor Little joined the staff of the Center for Business and Economic Research as a Graduate Research Assistant working in support of the Alabama Econometric Model Project. Taylor worked on all phases of the model: designing more accurate methods for data entry; implementing new estimation procedures; preparing comprehensive documentation; and, writing sections of the final report. It is fair to say that Taylor's contributions were indeed legion.

Taylor graduated with a Ph.D. in Business Administration in December 1984 and took a full-time teaching position with Georgia State University in Atlanta. Working with characteristic enthusiasm, Taylor won the friendship and respect of his students and new colleagues alike. Tragically, Taylor Little was killed in September of 1985 in an airplane accident. His loss was felt deeply by all who knew him.

In honor of his many contributions to the Alabama Econometric Model Project the staff dedicates the **1986 Alabama Economic Outlook** to the memory of Taylor E. Little.

Contributions

Dr. Carl E. Ferguson serves as project director for the Alabama Econometric Model Project and authored the current **Outlook**. Ahmad Ijaz, Research Associate, was responsible for estimating and solving the model. Deborah Hamilton, Assistant Director, was responsible for updating the model data bases. David Cheng, Research Economist and architect of the model, provided structural guidance. Carroll Greenhill, Programmer/Analyst, and Melissa Tierce, Statistical Data Clerk, assisted with preparation of the data bases. Edward Rigdon, Graduate Research Assistant, developed the computer generated charts and graphs. Leisa Flynn, Graduate Research Assistant, designed the publication layout and was assisted in production of the publication by Ginger Shew, Research Assistant. The cover of the **Outlook** was designed by Deana Noack, Graduate Research Assistant.